

# **TESTIMONY OF SECRETARY OF COMMERCE**

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**Before the Subcommittee on International Trade**  
**Committee on Banking, Housing and Urban Affairs**  
**United States Senate**

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Mr. Chairman, and distinguished members of the Committee, it is my pleasure to be here today - as Chairman of the Trade Promotion Coordinating Committee -- to present to you the sixth annual report on the status of our National Export Strategy.

Last year, our report was the product of virtually a new TPCC team with new agency heads at Ex-Im Bank, the Small Business Administration (SBA), OPIC, and Commerce. I am happy to report that we hit the ground running. We laid the groundwork to enable the TPCC to better function as a strategic tool for U.S. policymakers and provided a framework for a more unified government approach to a number of commercial policy priorities. We have now worked together for one year. And what a year it has been. We have witnessed:

severe financial and economic disruption in Asia;

export sanctions against India and Pakistan after nuclear detonations;

the largest U.S. trade deficit in the last decade, including a bilateral deficit with China which could reach \$60 billion this year;

and now more uncertainty in many emerging economies around the world.

Fortunately, our coordinated efforts this year enabled us to respond effectively this year to real-time market dynamics in the emerging markets. And we continue to coordinate our interagency efforts as events unfold. My TPCC colleagues deserve tremendous credit for their responsiveness and willingness to go beyond existing programs to address the unusual needs of U.S. exporters this year.

As the Asian financial crisis became severe last fall, we immediately developed a government-wide commercial strategy to keep our trade finance resources available to U.S. exporters and utilized technical assistance to encourage economic reform and help these countries stay on the path towards more open and transparent market structures. When the nuclear bombs first went off in India, we promptly assembled high-level, interagency panels to brief the public on the implications of the sanctions for U.S. exporters and utilized the Internet to get the most up-to-date information to U.S. companies. The TPCC was a useful vehicle to coordinate government efforts both leading up to and following up on the President's summit in China and trip to Africa, and to develop a strategy to address our burgeoning trade deficit with China.

This year's report reflects much of this work, as well as strategies to help U.S. exporters take advantage of new opportunities created by Western Europe's movement towards a single currency (the euro), and by Latin America's pursuit of regional market integration. We are reviewing our domestic front-line office, the Export Assistance Centers. We are increasing our outreach to small and medium-sized firms. We are aggressively monitoring compliance by our trading partners with existing trade agreements and continuing to attack market access barriers to American firms in markets around the world. And we continue our efforts to develop cross-cutting performance measures for TPCC programs and a unified TPCC budget.

An important theme flowing through this year's report is electronic commerce, particularly as a tool to help small businesses use TPCC services and gain access to new markets. USAID has established an electronic clearinghouse for trade leads in developing markets. We are renovating the U.S. Trade Center in Mexico City to accommodate electronic exhibits. SBA is facilitating trade financing through their Export Working Capital Program (EWCP) by launching an Internet-delivered international risk analysis capability to lenders. This capability, called SBA Export Express, gives lenders an on-line indication of SBA's willingness to approve the international risk aspect for an overseas transaction under EWCP. We have established the Nation's first publicly accessible on-line trade agreements database and given companies the ability to file trade agreement and market access complaints electronically.

At the same time, we are pursuing commercial policy initiatives to ensure that the Internet will be the export marketplace of the future. We are working with our partners in the OECD to gain recognition that electronic commerce needs to be industry-led and market driven. I will attend the OECD's Ministerial Conference on Electronic Commerce next month in Ottawa and plan to highlight these themes. We have been working with the APEC member economies to promote and foster e-commerce in that region. We are engaging China on issues relating to the establishment, regulation, and potential benefits of electronic commerce and implications for broader bilateral trade and communications. In Latin America, the Administration pushed hard for the establishment of an FTAA Experts Committee on Electronic Commerce to develop recommendations on making electronic commerce work for all countries in the Western Hemisphere.

## **Impact of Global Economic Uncertainty**

Clearly, trade has been one of the casualties of the financial crisis in Asia and elsewhere. But with a coordinated TPCC strategy, it can also be one of the cures which brings about a resumption of global economic growth and sustained U.S. prosperity.

At the center of this crisis is Asia, one of the most important regional markets for U.S. goods and services and where a great deal of the world's economic growth has been coming. The crisis there has exposed American firms to a highly uncertain environment in a region which represents almost one-third of U.S. export opportunities. The result of declining Asian currencies and a credit crunch for Asian buyers has been a 30 percent drop -- at an annual rate -- in U.S. exports to Asia in the first half of 1998. Measured on an annual basis, the U.S. merchandise trade deficit with Asia worsened from \$120 billion in the first half of 1997 to \$165 billion in the first half of 1998 due to a decline in our exports to Asia of \$26 billion and an increase in our imports from that region of \$20 billion.

This drop has affected our overall trade profile. As of July, our trade deficit was \$93 billion compared to \$63 billion last year.

The increase in our trade deficit is largely due to a significant slowdown in the rate of growth of our exports. You can see the impact of the crisis if you exclude Asia from the trade numbers. In the first half of the year excluding Asia, our total exports are up a remarkable 7 percent. But when Asia is included, total exports are up just one percent. At the same time, our imports from Asia have increased as the decline of many Asian currencies has reduced prices for Asian goods.

Declining exports to Asia and rising imports from Asia will lead to a substantial net deterioration in 1998 of our total global trade balance. Unfortunately, despite our aggressive strategy for bolstering U.S. exports, it appears that we will have to postpone the achievement of our 1994 goal of \$1.2 trillion in U.S. exports of goods and services by the year 2000. We do, however, intend to achieve this goal early in the 21st century.

The Asian crisis has also had an impact on U.S. growth; however, its effect has been more pronounced on its composition than on its rate. For the last six years, exports have been fundamental to our prosperity, accounting for nearly one-third of our economic growth. Now, as a result of the disruption of trade with key Asian trading partners, the increase in our trade deficit is dampening growth in both our exporting industries and in firms competing with imports. At the same time, these effects have reduced the pressures of just a few months ago on U.S. interest rates, and the decline in import prices has also helped to moderate interest rates by reducing overall inflation. The result is that while trade-sensitive sectors are growing more slowly than they would have if the Asian crisis had not occurred, interest-sensitive industries like housing, business investment, and durables are growing faster than they would otherwise.

Nonetheless, as Federal Reserve Chairman Greenspan said earlier this month, the United States cannot forever be an oasis of prosperity. Growth at home depends upon growth abroad. Our fate

is inextricably linked with that of our customers in Asia, South America and other emerging and developed markets. We have a keen interest in the quick return of growth and stability in these markets so that they can again bolster our own economic growth. Throughout the crisis, we have felt that the International Monetary Fund (IMF) is the central institution to restore economic growth to these economies, given their expertise in shaping effective reform programs, ability to bring about implementation of reforms, and mechanisms for internationalizing the burden.

But just as international trade is affecting U.S. and global economic growth in these difficult times, international trade will be instrumental to the resumption of global economic growth and recovery. The TPCC is about how we organize ourselves, how we target our scarce resources, and how we coordinate our efforts with tomorrow in mind. These factors determine our competitive position in the future. And particularly in this environment, the TPCC's role has never been more critical to the success of U.S. exporters over the long-term. It is working to ensure that the engine of trade brings us back to renewed economic growth.

Let me give you one example of how we are helping our exporters overcome the obstacles presented by the crisis:

In early 1998, our Commercial Service in Manila, our Export Assistance Center in Portland, and the U.S.-Asia Environmental Partnership in Manila worked together to resolve a trade complaint for a small environmental technology company -- Fabric Filters Air Systems in Portland. Fabric Filters claimed about \$90,000 in back payment from a Phillippine construction company that was forced to delay payment on three orders of Fabric Filter's products because of the currency crisis in Asia and its own inability to collect payment from its clients. Through the concerted efforts of our Manila Commercial Attaché and our Portland "techrep," Fabric Filters and the Phillipine company were able to agree on a payment plan, and the debt was paid in full in two installments.

From maintaining liquidity in affected markets with Ex-Im Bank and Agriculture Department programs, to encouraging privatization with the help of TDA and AID, to maintaining a U.S. presence in key markets through OPIC guarantees and political risk insurance, to providing information and advice on real-time developments from a network of Commerce experts, the TPCC is enabling a coordinated approach to ensure U.S. companies and workers emerge from the crisis stronger than before. Far from retrenching in the face of global economic uncertainty, the TPCC is stepping up to the plate.

## **Foreign Competitive Practices**

The drop in economic indicators around the world as a result of the financial crisis has not dissuaded our competitors from continuing to press for strategic advantage in overseas markets. Indeed, they are not missing a beat, and are taking the long view.

Like Ex-Im Bank and the Foreign Agriculture Service, the export credit agencies of our competitors are responding to the demands of their exporters. For example, the German export credit agency Hermes is focusing on the Eastern European region, and the Japanese Ex-Im Bank is focusing on Indonesia, South Korea, and Thailand. The Australian Agriculture Bank was first to extend 100 percent guarantees to importers in the crisis countries of its agriculture goods. The

British have been extremely active in helping the Asian economies with their privatization efforts, sending large numbers of advisors to the region, thus positioning their firms advantageously for the recovery. And the export credit agencies of our competitors have been outspending the United States on medium- and long-term financing, with both Japan and Germany consistently outspending the United States in absolute terms.

Our major competitors continue to outspend and outstaff us on export promotion in relation to our respective GDPs. However, more intriguing given the current crisis, is the notable shift of resources by our competitors to emerging markets -- a shift which we had undertaken since 1994. For example, the French overseas Commercial Service has moved about 200 job positions from OECD countries to emerging markets over the last few years. As a result, 40 percent of French overseas staffing now is in emerging markets compared to only 28 percent in 1989. And in Canada, the Prime Minister and other Ministers are leading high profile trade missions to generate new business in emerging markets. The Europeans, particularly Germany, the UK, and France, continue to influence international standards by providing extensive training programs, equipment and advisors to labs and ministries in emerging economies. And, in relation to the size of our respective economies, the Canadians, Japanese, and Germans invest as much as ten times more than the U.S. Government on technical assistance such as feasibility study programs, procurement assistance, and trade advisory services.

The most pernicious of all foreign competitor practices is bribery. In the last year, there are alleged to have been 61 cases of bribery on major international commercial contracts. We estimate that U.S. firms lost at least 13 of these contracts, valued at nearly \$3 billion, and believe that U.S. firms declined other contracts in the face of bribery demands. Among the bribe-givers, companies from the OECD nations continue to be the worst offenders. While we have reason to hope that there will be a decline in bribes from these companies with the OECD Antibribery Convention expected to become effective at the end of this year, competitor firms in emerging economies are increasingly a problem. We are especially grateful to this Committee's prompt action and leadership in passing the implementing legislation for the OECD Convention.

The counterpart to bribe giving -- bribe taking -- appears, meanwhile, to be spreading in some regions such as Latin America and Asia. For the first time since we began collecting data in 1994, Latin America led in the number of contracts involving allegations of bribes. The TPCC will continue to fight against corruption on all fronts (the OECD, the Organization of American States, the United Nations and the World Trade Organization), as well as continue to encourage the international financial institutions to target corruption in their programs.

The good news is that, despite the unceasing efforts of our competitors, the performance of American firms, workers, and entrepreneurs, has once again ranked the United States as the world's most competitive economy. Over the last ten years, total U.S. exports of goods and services have grown at a faster clip than those of any of our major competitors. And over the last five years, only one country, Canada, had a higher export growth rate. As a result, the United States has pulled far ahead of the pack as the world's leading exporter. In 1997, the United States exported over \$340 billion more than Germany, the next highest. Although exports still represent only 12 percent of our gross domestic product, these figures demonstrate the growing awareness that exporting is essential to future competitive strength.

## **Status of the National Export Strategy -- 1998**

The progress of the National Export Strategy in meeting Congress' charge to put the federal government to work as a persistent and effective advocate for U.S. exporters has been steadfast and sure. We have a number of accomplishments to show for the last six years: We completed our nationwide network of Export Assistance Centers; we succeeded in reducing the level of tied aid offers from \$10 billion in 1992 to \$3 billion in 1997; we helped U.S. companies win over \$107 billion since 1994 in overseas contracts through our advocacy support; we continue to reduce government-imposed obstacles to exporting; we negotiated a Mutual Recognition Agreement on standards with the European Union; and we achieved the signing of the OECD Antibribery Convention.

The TPCC began in 1993 with 65 recommendations to leverage agency resources and remove government-imposed obstacles to exporting. In 1994, we implemented those initial recommendations and established some new directions -- like our focus on Big Emerging Markets. In 1995, in addition to focusing on advocacy and small business trade finance, we documented the practices other governments undertake to win major projects. In 1996, we began to develop strategic policies that would directly address foreign competitive practices in areas like bribery, standards, technical assistance and defense offsets. In last year's report, we laid out a specific trade promotion agenda for the second Clinton Administration and launched six interagency regional working groups to accomplish it.

## **This Year's Report: a Commercial Strategy for the Financial Crisis**

This year our biggest challenge has been to develop a commercial strategy to cope with the financial crisis in Asia, and now in other emerging markets. This has been no small task. In addition to placing a premium on the need to coordinate TPCC efforts, it has forced each agency to stretch its programs to the limit and to "think out of the box" about how we can leverage our existing resources quickly. Indeed, the crisis has, in many ways, redefined the U.S. Government's role in the delivery of export promotion services.

The goal of this commercial strategy is to provide U.S. exporters with the tools needed to compete and prosper in the global market and the opportunity to position themselves for the resumption of global economic growth. Its elements are:

- maintaining U.S. exports to the markets hardest hit by the Asian financial crisis;
- helping U.S. exporters adjust to the Asian crisis by strengthening their position in other dynamic markets like Latin America and Europe; and
- increasing the export readiness of every company in America, particularly small and medium-sized firms.

## Maintaining U.S. Exports to Asia

Our strategy is to maintain liquidity in the region; assist in the privatization of projects, particularly in the infrastructure area; and encourage these countries to liberalize their markets and undertake essential structural reforms. TPCC agencies responded immediately with enhanced financing programs, appropriate technical assistance, and coordinated high-level visits with a consistent message. We established working groups to address three sets of issues:

### Trade Finance

Ex-Im Bank and USDA expanded the level of financing support in Asia to meet U.S. exporter demand given the credit crunch in Asia. These programs now support over 20 percent of U.S. exports to Thailand and South Korea, up from just four percent last year.

- Ex-Im developed mechanisms to supply up to *\$1 billion in short-term and \$2 billion in medium-term financing* to South Korea. Similar short-term support has been developed for Thailand and Indonesia.
- USDA dramatically *increased program allocations* for the hardest hit Asian economies, making available over \$2.5 billion in General Sales Manager (GSM) credit guarantees available this year alone. Another \$1 billion was made available for agribusiness projects in Asia, and outreach efforts are underway to ensure these programs are fully utilized.

### Technical Assistance

USAID and TDA have also risen to the occasion, working to meet the changed demand for their services as a result of the crisis. Their efforts will encourage Asian governments to remain on the path to much needed market liberalization and policy reforms.

- USAID is sponsoring the placement of *long-term advisors* in key Ministries in Indonesia to encourage reduced barriers to trade and more transparent commercial laws, and in the Central Bank to reform economic, monetary, and exchange rate policies.
- TDA will fund about 50 activities in Asia this year, including feasibility studies and tender preparation work.

### Business Development

TPCC agencies are reaching out to the business community, particularly small and medium-sized companies, to apprise them of developments in Asia and inform them of the programmatic resources of TPCC agencies.

- *A major information campaign* is underway by the Department of Commerce to help companies keep abreast of the rapidly changing Asian landscape, including a series of

conferences for small exporters.

- *OPIC is also meeting increased demand* for its services and ensuring U.S. companies can position themselves strategically for the future. It recently approved \$200 million in support of power generation facilities in Thailand. In addition, OPIC programs are now open to help U.S. firms in South Korea.

## **Strengthening U.S. Exports to Other Dynamic Markets**

We can also help U.S. exporters adjust to the crisis in Asia by strengthening their position in other dynamic markets where U.S. goods and services continue to enjoy good sales.

### **China**

China is clearly a special case and requires particular focus. While it holds tremendous potential for U.S. exporters, its complex maze of tariff and non-tariff barriers has restrained our export growth and contributed to a growing, persistent bilateral trade deficit - estimated to be \$60 billion by the end of the year. While our exports to China are growing at a rate of about 10 percent through July, our imports are growing at 16 percent over the same period. China's other trading partners are doing a better job of penetrating the Chinese market, with the EU, Japan, Hong Kong, Korea, and Taiwan all having significantly smaller trade deficits, and in some cases surpluses, with China.

The June summit between Presidents Clinton and Jiang provided a blueprint to help resolve this situation. It promotes the mutually reinforcing goals of U.S. market access and Chinese domestic reform. We laid out a strategy to follow up on the various initiatives stemming from the summit, such as aviation, insurance, housing and energy and environment. The U.S. - China Joint Commission on Commerce and Trade (JCCT), which meets next month in Washington, is central to its achievement, strengthening a commercial dialogue on standards, commercial law, project finance, business development and export controls. A number of memoranda of understanding signed this summer between Ex-Im Bank and its Chinese counterparts will facilitate trade financing opportunities for U.S. exporters.

The TPCC will also work to increase U.S. companies' market share in China by enhancing our competitive advantage for major infrastructure projects, which will be a central focus of Chinese planners over the next several years.

- *We will target sectors with the greatest potential for export growth.* With the help of the private sector, TPCC agencies will identify the factors contributing to lagging U.S. market share in sectors where U.S. companies have an edge in the rest of the world (e.g. telecommunications and computers), yet are not doing as well as EU and Japanese companies in China.



- I will follow through on the President's request during the China Summit in June to lead a *multi-Cabinet mission to China* in early 1999 to encourage greater participation of U.S. firms in China's ambitious infrastructure development program.

## Latin America

At this moment, Latin America is the only region with which we have a trade surplus. U.S. export growth to Latin America is up 150 percent since 1990; Latin America and the Caribbean account for 20 percent of total U.S. exports and 40 percent of U.S. export growth. While markets in this region have not been immune to fluctuations in the global marketplace, their long-term efforts to lower trade barriers and introduce competition should continue to help them through these difficult waters. We will intensify our export promotion efforts to Latin America through a number of new and ongoing initiatives.

- If the full depths of the financial crisis extend to Latin America, Ex-Im Bank and the Department of Agriculture are ready to step up their activity similar to what they have done to help U.S. exporters deal with the crisis in Asia. Chairman Harmon will be traveling to Latin America in October to assess the market and demand for Ex-Im Bank services.
- An important component of our Hemispheric leadership is the involvement of high-level U.S. Government officials in promoting U.S.-Latin American partnership. In the last year and a half, I have embarked on five trips to Latin America, and intend to lead at least one Latin American trade mission annually.
- The new Inter-Americas Center in Miami will take advantage of that city's status as a gateway to Latin America and the Caribbean.
- We will update our Big Emerging Markets initiative to reflect regional realities, and consider MERCOSUR, rather than Argentina and Brazil alone, as a BEM. With growth expected to be 3.5 percent over the next two years, MERCOSUR will be one of our highest priority BEMs.

## Europe

TPCC agencies are taking steps to ensure that U.S. companies, particularly small and medium-sized firms, are prepared for European Monetary Union and the introduction of the *euro currency* beginning on January 1, 1999. EMU should stimulate growth in Europe and make it an even easier environment for U.S. firms to do business. Thus far, the European Union has weathered the global financial maelstrom quite well.

- We will adjust our European export promotion efforts to take into account the EMU's likely impact on the European market, focusing on new opportunities as well as challenges that may arise. These efforts will include the use of technology to disseminate

critical information on the euro to the U.S. business community. A top priority will be to raise the level of awareness among U.S. firms of opportunities throughout the European region, not just in single country markets.

- The Commerce Department is holding more than a dozen seminars around the country this fall to provide U.S. firms with expert advice and timely information on the EMU. We have already held events in Minneapolis and Cleveland with one scheduled tomorrow in Nashville.

## **Africa**

Africa represents the "New Frontier" for American exporters. Countries on the continent very much want to be part of the international system. Economies that were growing at 2 percent at the beginning of the decade, now are growing at more than double that rate. And in the first half of this year, our sales to Africa grew 7 percent. We are working to give effective substance to the United States' bilateral relationship with sub-Saharan Africa, one based on "Trade and Aid."

- All of the TPCC agencies are involved in the President's Africa Partnership Initiative as shown by the number of Cabinet-level missions since the President's trip. Ex-Im Bank Chairman Harmon, Secretary of Transportation Slater, and Secretary of the Treasury Rubin all had successful visits this summer. I just returned from a policy mission to Kenya, Tanzania, and South Africa to continue our commercial dialogue with African business and government leaders. In December, I will lead a trade mission to the region.
- Ex-Im Bank, OPIC, the Commerce Department and TDA are working together to detail a TDA officer to South Africa to promote all TPCC finance agency programs.
- The U.S. and Foreign Commercial Service is increasing staff in nearly all the countries of sub-Saharan Africa to help U.S. companies gain market entry there.

## **Increasing the Export Readiness of Small Businesses**

Helping small businesses export is one of the central missions of the TPCC agencies, as these firms offer great potential for export growth and are most likely to need assistance. If we are to succeed in restoring the contribution of exports to our overall economic growth, we need to enlist the drive and creativity of our small business sector, where most of our exporters lie.

Over the past two years, exports by small and medium-sized companies have contributed approximately one-third of our total exports. In 1997, exports by small and medium-sized companies were up almost 10 percent from 1996, to an estimated \$202.1 billion. While the role of small and medium-sized companies is significant and growing, there is ample evidence that these firms could export much more. As of 1992 only 13 percent of all small and medium-sized manufacturers were active in exporting (compared with nearly 84 percent of large manufacturers). While this is up from 9 percent in 1987, there is clearly room to further boost export participation by small and medium-sized manufacturing firms.

Encouraging export participation and market diversification by small and medium-sized firms is essential if these companies are to exploit their sizable but untapped export potential. One indication of this potential is the fact that, in the manufacturing sector, small and medium-sized companies generate about 24 percent of total sector revenues but only 13 percent of the sector's merchandise exports. If the export share of these manufacturers in 1997 had been more consistent with their overall contribution to the U.S. economy, then exports of goods by small and medium-sized manufacturers could have been as much as \$63 billion higher (assuming near-ideal conditions). This "**export gap**" is one of the TPCC's greatest challenges which will continue to require the attention of federal, state, and local export promotion agencies.

Our strategy to address this challenge includes:

- *Evaluating the Export Assistance Center network to see how we can improve the delivery of our export promotion services and improve interagency coordination.* We hope to improve communications between agencies, both in the field and at headquarters, improve training, overcome technological hurdles between agencies, and look at USEAC-wide performance plans and joint agency budgeting. In addition, we are increasing the number of partners in our USEAC network to include the Department of Agriculture in Atlanta and Dallas and teaming up with the Department of Commerce's Manufacturing Extension Program (MEP) to expand the number of exports;
- *Using the Internet to lower the informational and financial barriers that continue to plague U.S. exporters.* This includes using the Internet to provide assistance to underserved companies through Commerce's Rural Export Initiative, Internet-based matchmaking programs to both match U.S. companies with potential clients abroad and allow instant access to export financing for small businesses, using videoconferencing to enhance client access to our traditional Goldkey services and virtual trade shows, an on-line training curriculum to improve the skills of Commercial Service professionals, and recent efforts to make Commercial Service market research products available for electronic purchase by U.S. firms;
- *Refining our export financing tools to reach a larger pool of potential exporters.* SBA will complete its "Export Express" tool which enables financial institutions to make decisions more easily about risks associated with export transactions, and will streamline its Export Working Capital program; Ex-Im Bank will launch a pilot program to assist small businesses that traditionally have more difficulty obtaining financing; Commerce will double its export financing seminars in FY99, and OPIC will help small companies in California establish a "footprint" in a region to increase market share;
- *Developing a strategy to increase coordination and leverage the resources of state and federal export promotion agencies.* Better coordination of state and federal efforts both overseas and domestically and increased cooperation on trade missions could improve our services to small businesses and our message to foreign governments. We will start with pilot programs in the states where our relationships are most developed. The Department of Commerce already has launched a partnership with the Southern

Governor's Association, which we hope to replicate with other regions.

## **Conclusion**

This year has been a true test of the ability of the TPCC to both fulfill its mandate and go beyond it when circumstances required. I believe the TPCC met its charge, developing a commercial response to help U.S. exporters cope with the financial crisis, while helping U.S. exporters strengthen their position in other markets. We are addressing the burgeoning trade deficit with China and ensuring U.S. companies make the most of the opportunities presented by the euro. We are looking ahead to the frontier market of Africa. And we are evaluating our network and using the Internet to improve our services for small businesses. I think this is a strategy for the times.

We will continue to anticipate the needs of U.S. exporters, applying what we learned in Asia to future uncertainty in other emerging markets. We will focus on issues that will be most important to U.S. exporters over the long term, such as coordinating our intergovernmental efforts, encouraging privatization in the emerging markets, improving our companies' ability to benefit from infrastructure opportunities in China, and addressing head-on market access barriers to our exports and assuring full compliance with our trade agreements. And we will develop a new strategy to better coordinate our state and federal export promotion programs both overseas and domestically. I am looking forward to another year working closely with my TPCC colleagues, and am confident that the TPCC agencies will continue to make the difference Congress intended for the benefit of U.S. firms and workers.